

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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# MULTIMEDIA UNIVERSITY

## FINAL EXAMINATION

TRIMESTER 1, 2016 / 2017 SESSION

### DOT5018 – ORGANISATIONAL THEORY

(For Diploma Students Only)

10 OCTOBER 2016  
9.00 AM - 11.00 AM  
(2 Hours)

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#### INSTRUCTIONS TO STUDENTS

1. This question paper consists of 11 pages with 3 sections.
2. Shade your answers on the OMR sheet provided.
3. Write your answers in the answer booklet provided.

**SECTION A: MULTIPLE CHOICE QUESTIONS (each question carries 1 mark). Answers for this section should be shaded on the OMR sheet provided.**

1. Which of the following is a part of an organisation's environment?
  - A) Machinery
  - B) Suppliers
  - C) Money and capital
  - D) Raw materials
  
2. A toy maker sells a large number of toys and due to the large volume production it is able to acquire the raw materials required to make the toys at a cheaper price than the competition. In this case, the toy maker is taking advantage of \_\_\_\_\_.
  - A) economies of scale
  - B) economies of scope
  - C) organisational culture
  - D) organisational structure
  
3. The \_\_\_\_\_ approach allows managers to evaluate the organisation's ability to be innovative and function quickly and responsively.
  - A) external resource
  - B) internal systems
  - C) technical
  - D) transaction
  
4. \_\_\_\_\_ costs are the costs associated with negotiating, monitoring, and governing exchanges between people.
  - A) Historical
  - B) Sunk
  - C) Transaction
  - D) Opportunity
  
5. The stakeholder group with ultimate authority over the use of a corporation's resources is \_\_\_\_\_.
  - A) managers
  - B) customers
  - C) government
  - D) shareholders

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6. Which of the following groups of stakeholders receives inducements in the form of bonuses, status, and power?
- A) Shareholders
  - B) Unions
  - C) Suppliers
  - D) Managers
7. "Self-dealing" is defined as \_\_\_\_\_.
- A) a manager acting in his own best interest, as opposed to the interests of the other stakeholders
  - B) a cash bonus distributed privately amongst the top-management team
  - C) a manager promoting family members at the expense of others
  - D) a form of control that aligns the interests of principal and agent so both parties have the incentive to work together to maximise organisational effectiveness
8. When a company decides to produce different products for different customers, \_\_\_\_\_.
- A) the number of stakeholders decreases
  - B) environmental stability increases
  - C) environmental richness decreases
  - D) environmental complexity increases
9. Semiconductor companies in Melaka have a large pool of high-quality engineers to choose from because of the presence of a few universities in the area. Based on the information given in this case we can say that the Semiconductor companies in Melaka have a \_\_\_\_\_ environment.
- A) broad
  - B) complex
  - C) rich
  - D) dynamic
10. Two computer manufacturing companies, operating in the same industry, pool their resources to develop a new computer technology. This is an example of \_\_\_\_\_.
- A) licensing
  - B) an interorganisational linkage
  - C) franchising
  - D) a symbiotic interdependency

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11. A \_\_\_\_\_ is a subunit composed of a group of people, working together, who possess similar skills or use the same kind of knowledge, tools, or techniques to perform their jobs.
- A) hierarchy
  - B) class
  - C) function
  - D) division
12. Structures that are designed to induce people to behave in predictable and accountable ways are called \_\_\_\_\_ structures.
- A) mechanistic
  - B) organic
  - C) decentralised
  - D) mutually adjusted
13. In a complex organisation, differentiation is \_\_\_\_\_ and the division of labor is \_\_\_\_\_.
- A) high, low
  - B) high, high
  - C) low, low
  - D) low, high
14. Which of the following is an instrumental value?
- A) Quality
  - B) Profitability
  - C) Working hard
  - D) Excellence
15. Differences in communication styles, attitude toward competing tasks, and different approaches to decision making can impact a company's \_\_\_\_\_.
- A) culture
  - B) shareholders
  - C) profit
  - D) loss
16. What are golden parachutes?
- A) The rights of the managers to lay off employees if they are not performing well.
  - B) The rights of the customers to receive compensation if the product bought by them is faulty.
  - C) Rights of the managers to receive large sums of money if they are fired when their company is taken over.
  - D) The rights of the workers to receive compensation if they are injured on the job.

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17. To become core competences, the functional resources possessed by an organisation should be \_\_\_\_\_.
- A) cheap
  - B) unique and difficult to imitate
  - C) abundant and easily available
  - D) easily replaceable with alternative resources
18. Unilever uses its marketing skills to defend its position in the market against Procter & Gamble Co. This is an example of a \_\_\_\_\_ strategy.
- A) functional-level
  - B) contingency-level
  - C) corporate-level
  - D) business-level
19. Below are the business level strategy **EXCEPT** \_\_\_\_\_.
- A) focus
  - B) differentiation
  - C) vertical integration
  - D) low cost
20. For a soft drinks company, which of the following will be considered backward vertical integration?
- A) Buying a bottling and trucking company that distributes soft drinks.
  - B) Buying sugar plantations.
  - C) Taking over a company that provides software services.
  - D) Establishing a company that manufactures and sells snack foods.
21. \_\_\_\_\_ is the organisational technology that uses conveyor belts and a standardised progressive assembly process to manufacture goods.
- A) Craftwork
  - B) Mass production
  - C) Customisation
  - D) Differentiated production
22. According to Charles Perrow, task \_\_\_\_\_ is the number of new or unexpected situations that a person encounters while performing a task.
- A) variability
  - B) analysability
  - C) customisability
  - D) adaptability

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23. Which of the following technologies is used to develop master production schedules for manufacturing?
- A) CAD
  - B) JIT inventory system
  - C) CAMM
  - D) CIM
24. The \_\_\_\_\_ of a production process is a measure of the extent to which a production process can be programmed so that it can be controlled and made predictable.
- A) technical complexity
  - B) resource customisability
  - C) situational adaptability
  - D) environmental compatibility
25. Which of the following statements is **TRUE** regarding organisational change?
- A) Planned organisational change is normally targeted at increasing environmental dynamism.
  - B) Organisational change should take place only when the company is operating in loss.
  - C) Organisational change is aimed at increasing the effectiveness of the organisation.
  - D) Organisational change typically involves changing the technical capabilities of the company without changing its human and functional resources.
26. Organisational inertia refers to the tendency of an organisation to \_\_\_\_\_.
- A) increasing the number of products produced so as to take advantage of economies of scope
  - B) increase the diversity of its workforce
  - C) decrease cost of production by using economies of scale
  - D) resist change and maintain the status quo
27. According to the force-field theory, to get an organisation to change, managers must find a way to \_\_\_\_\_.
- A) increase efficiency of the organisation
  - B) increase economies of scope
  - C) reduce environmental dynamism
  - D) reduce resistance to change

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28. The \_\_\_\_\_ stage of the organisational life cycle is associated with the greatest chance of failure.
- A) organisational growth
  - B) organisational death
  - C) organisational birth
  - D) organisational decline
29. The term population density refers to the number of organisations that \_\_\_\_\_
- A) have the same rate of growth in a particular industrial segment
  - B) can compete for the same resources in a particular environment
  - C) operate in the same market segment and employ more than 1000 employees
  - D) are at the same stage in the organisational life cycle at a particular time
30. According to the population ecology theory, which of the following strategies advocates entering an environment late, after the uncertainty in that environment is reduced and the correct way to compete is apparent?
- A) K-strategy
  - B) generalist strategy
  - C) r-strategy
  - D) specialist strategy
31. \_\_\_\_\_ refers to the process of responding to a problem by searching for and selecting a solution or course of action that will create the most value for organisational stakeholders.
- A) Organisational learning
  - B) Organisational isomorphism
  - C) Organisational decision-making
  - D) Organisational development
32. Which of the following terms refers to the state of discomfort or anxiety that a person feels when there is an inconsistency between his or her beliefs and actions?
- A) Cognitive dissonance
  - B) Self-concordance
  - C) Illusion of transparency
  - D) Illusion of control
33. \_\_\_\_\_ is a cognitive bias that leads managers to continue a losing course of action and to refuse to admit they have made a mistake.
- A) Escalation of commitment
  - B) Self-concordance
  - C) Frequency
  - D) Representativeness

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34. \_\_\_\_\_ technological change refers to a fundamental shift in technology that revolutionises products or the way in which they are produced.
- A) Normative
  - B) Quantum
  - C) Mimetic
  - D) Incremental
35. Which of the following types of property rights is typically used to protect the name of a product and any symbols or logos associated with it?
- A) Patent
  - B) Industrial design right
  - C) Copyright
  - D) Trademark
36. A " \_\_\_\_\_ " is a task force, a temporary team that is created to expedite new product design and to promote innovation by coordinating the activities of functional groups. Typically, this team operates at a separate facility, at a location isolated from the rest of the organisation.
- A) workers' union
  - B) kaizen group
  - C) skunk works
  - D) quality circle
37. At which stage of a stage-gate development funnel do prospective managers develop a detailed product development plan that includes information about factors such as strategic and financial objectives and human resource requirements?
- A) Stage 1
  - B) Stage 2
  - C) Stage 3
  - D) Stage 4
38. The method an organisation chooses to manage conflict depends on the \_\_\_\_\_.
- A) tallness of the organisational hierarchy
  - B) source of the problem
  - C) property rights given to the employees
  - D) extent of horizontal differentiation within the organisation

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39. Celine works for a manufacturing plant that has been under pressure to reduce pollution. Celine increased her knowledge of environmental laws in order to help the company follow waste disposal laws. Which of the following political tactics is being used by Celine?
- A) Co-optation
  - B) Increasing control over resources
  - C) Increasing nonsubstitutability
  - D) Controlling the agenda
40. Organisational politics consists of activities taken within organisations to \_\_\_\_\_.
- A) decentralise the decision-making authority
  - B) improve the ability of the organisation to innovate
  - C) acquire, develop, and use power
  - D) implement total quality management

**[TOTAL 40 MARKS]**

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**SECTION B: TRUE/FALSE QUESTIONS (each question carries 1 mark).****Answers for this section should be shaded on the OMR sheet provided.****Shade "A" for the TRUE statement and "B" for the FALSE statement.**

41. Entrepreneurship is the process by which people recognise opportunities to satisfy needs and then gather and use resources to meet those needs.
42. The environment in which an organisation operates is a major source of uncertainty.
43. All stakeholder groups are equally important for an organisation.
44. An inside director of a company can be a professional director who holds positions on the boards of many companies.
45. Economic forces, such as interest rates, are considered to be specific environmental forces rather than a general environmental forces.
46. The keiretsu system is a form of minority ownership.
47. Research and development is an example of a maintenance function.
48. Subunit orientation is the tendency to view one's role in the organisation strictly from the perspective of the time frame, goals, and interpersonal orientations of one's subunit.
49. Fixed socialisation tactics allow newcomers to learn on the job, as members of a team.
50. As compared to a mechanistic structure, an organic structure is more likely to give rise to a culture in which innovation and flexibility are desired end states.
51. Typically, the sales function in an organisation uses a tall, centralised structure to coordinate its activities.
52. A speedy response to market changes is not vital to the competitive success of an organisation that is following a low-cost business-level strategy.
53. A just-in-time inventory system increases task interdependence between stages in the production chain.
54. According to Aston Studies, an organisation's technology is more important than organisational size in determining the organisation's choice of structure.
55. Change usually benefits some people, functions, or divisions at the expense of others.

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56. Total quality management (TQM) is an ongoing and constant effort by all of an organisation's functions to find new ways to improve the quality of the organisation's goods and services.
57. Managers and employees frequently move from one organisation to another and bring with them the norms and values of their former employers. This leads to coercive isomorphism.
58. Exploration involves organisational members learning ways to refine and improve existing organisational activities and procedures to increase effectiveness.
59. A heavyweight team leader is a mid-level functional manager who has lower status than the head of a functional department.
60. Forming a coalition of managers around an issue that is important to them all is a political tactic managers can use to obtain the power needed to resolve a conflict in their favor.

**[TOTAL 20 MARKS]**

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**SECTION C: STRUCTURED QUESTIONS**

**Answer ALL questions. Answers should be written on the answer booklet provided.**

**QUESTION 1**

- a) Joan Woodward identified ten levels of technical complexity that are associated with three types of production technology. List the **THREE (3)** types of production technology. (3 Marks)
- b) Define game theory. List and explain the **TWO (2)** basic types of games. (6 Marks)
- c) Define devil's advocate. (1 Mark)

**QUESTION 2**

- a) Describe the **FOUR (4)** types of technologies identified by Perrow on the basis of task variability and task analysability. (8 Marks)
- b) List the **TWO (2)** principal types of organisational learning. (2 Marks)

**QUESTION 3**

Describe the **FIVE (5)** stages in the Weitzel and Jonsson's model of organisational decline. (10 Marks)

**QUESTION 4**

- a) List and explain the **THREE (3)** different types of organisational rites. (6 Marks)
- b) Where does organisational culture come from? List out **FOUR (4)** of them. (4 Marks)

**[TOTAL 40 MARKS]**

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